

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of California-American
Water Company (U210W) for Approval
of the Monterey Peninsula Water
Supply Project and Authorization to
Recover All Present and Future Costs in
Rates.

Application 12-04-019
(Filed April 23, 2012)

**THE OFFICE OF RATEPAYER ADVOCATES
CLOSING BRIEF**

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February 14, 2014

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I. INTRODUCTION

In accordance with Rule 13.11 of the Commission's Rules of Practice and Procedure and ALJ Minkin's *Ruling Setting Forth Updated Schedule And Addressing Other Matters* dated January 27, 2014, the Office of Ratepayer Advocates ("ORA") hereby submits its Closing Brief in support of the two Settlement Agreements submitted by California-American Water Company ("Cal-Am"), ORA, and other parties on July 31, 2013. The two settlements submitted include (1) a comprehensive Settlement Agreement on project need, and (2) a specific Settlement Agreement on appropriate plant size.

**II. THE SETTLEMENT AGREEMENTS PROVIDE A VIABLE
PATH FORWARD TOWARD SOLVING MONTEREY'S LONG-
TERM WATER SUPPLY PROBLEMS**

ORA supports the identification and approval of a water supply project for the Monterey Peninsula that will (1) enable Cal-Am to come into compliance with orders of the State Water Resources Control Board regarding its withdrawals from the Carmel River, (2) allow Cal-Am to provide safe and reliable water to all customers that are legally-entitled to receive water within its service boundaries, and (3) balance the risk and rewards of project development and completion appropriately. ORA continues to assert

that the Monterey Peninsula Water Supply Project (“MPWSP”), as presented in the Settlement Agreements and supported by the evidentiary record, offers a reasonable and viable means of achieving the above three objectives. Moreover, the Settlement Agreements provide a viable path forward toward solving Monterey’s long-term water supply problems.

III. THE COMMISSION’S DECISION SHOULD RELY UPON THE EVIDENTIARY RECORD THAT HAS BEEN ESTABLISHED IN THE PROCEEDING

In D.07-04-043, the Commission found that the settlement in that proceeding was consistent with the whole record because it did “not bring new issues into the proceeding or seek to formulate new Commission policy.”¹ Similarly, the parties’ Opening Briefs should focus on an analysis of the evidence in the record. Unfortunately ORA’s review of different parties’ Opening Briefs revealed a significant number of statements that are based upon opinion and conjecture instead of the evidentiary record. Hence, ORA reminds the Commission to focus and rely upon the substantial evidence presented during the hearings on the settlement agreements that has become part of the evidentiary record when deciding whether the settlements are reasonable, consistent with law, and in the public interest.

IV. CONCLUSION

The two Settlement Agreements before the Commission are reasonable and offer the most clear and most widely-supported approach towards solving Monterey’s long-term water crisis to date. Hence, ORA respectfully requests that the Commission adopt both Settlement Agreements and pave the way to solving Monterey’s long-term water problem.

¹ D.07-04-043, p. 97.

Respectfully submitted,

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